

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	739 AND 739-A HOOPUNI DRIVE
Project Address	739 and 739A Hoopuni Drive, Kailua, HI 96734
Registration Number	7203
Effective Date of Report	May 3, 2012
Developer(s)	MAXSAM, LLC, a Hawaii limited liability company

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

(1) The Project contains two lots: Lot 10 of the Kihapai Parcels (File Plan 789) and Lot 566-P of the Coconut Grove (Land Court Application 495). By letter dated February 9, 2007, the Department of Planning and Permitting of the City and County of Honolulu ("DPP") approved the consolidation of the two lots, for development purposes, into new Lot A containing 9,719 sq.ft., as more particularly shown on the map attached thereto. A copy of the approval letter and the map showing Lot A are attached to this Report as Exhibit "H".

(2) The square footage of the above-described Lot A is insufficient to construct two free standing Units on such Lot. Therefore, the two units have been constructed as a "Two-Family Detached Dwelling" as defined in Article 10 of the Land Use Ordinance ("LUO") and as shown on Figure 21-10.3 of the LUO. Although the LUO uses the words "Detached Dwelling" the LUO actually requires, among other things, that the two Units be attached to one another along the boundary line between the limited common element land areas of the two Units. Each Unit owner may be required by the Fee Owner and/or DPP to execute and record an affidavit in a form required by DPP. The Developer also reserves the right to execute and record such affidavit(s) for the Unit(s).

(3) The Developer's understanding is the existing sewer line serving the Project from Hoopuni Drive is inadequate for two dwellings on the Project. Unit 739 has been connected directly to the city sewer system, but Unit 739A has been connected to the city sewer system via a holding tank facility ("HTF"). The HTF is a limited common element appurtenant to Unit 739-A, and Unit 739-A is therefore responsible for all fees, costs and expenses in connection with the repair and/or maintenance of the HTF and any replacement thereof. The Developer's understanding is that a Declaration for Holding Tank Facility is required for the Project and such Declaration shall be deemed to apply to Unit 739-A. A copy of the Declaration recorded in 2007 is attached hereto and made a part hereof as Exhibit "C", and a copy of the Declaration recorded in 2011 is attached hereto and made a part hereof as Exhibit "D". The Developer reserves the right to execute, deliver to the City and County, and record in the Bureau such Declaration on behalf of each Unit and/or to require, even after Developer has sold both Units, one or both Unit owners to execute, record in the Bureau and/or deliver to the City and County any further instrument required in connection with the Declaration. A copy of the City and County's letter dated December 19, 2006 covering the HTF is attached hereto and made a part hereof as Exhibit "E". In addition to the fees, costs and expenses for the HTF (covered above), each Unit owner will be responsible for all other fees, costs and expenses incurred in connection with the installation of sewer facilities for its Unit. The Developer makes no representations or warranties regarding the amount of such fees, costs or expenses and it is possible such fees, costs and expenses may increase and there may be other fees, costs or expenses. The Developer makes no representations or warranties and hereby disclaims all representations and warranties regarding sewer installation and/or service, whether express or implied.

(4) This Project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each Unit as shown on the Condominium Map is designated as a limited common element for that Unit and does not represent a legally subdivided lot. The dark dashed lines on the Condominium Map do not represent legally subdivided lots, but merely the location of the limited common element yard area assigned to each Unit.

(Continued on page 1b)

(Continued from page 1a)

(5) The developer has reserved various rights in the Declaration of Condominium Property Regime. Section 3.6 of this Public Report discusses the developer's reserved rights.

(6) This Public Report does not constitute an approval or disapproval of the Project, nor does it represent that the Project is in-compliance with all County codes, ordinances and subdivision requirements.

(7) Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, county street lighting, electricity, upgraded water facilities, sewer, improved access for owners and emergency traffic, drainage facilities, etc., may not be available, and services such as county street maintenance and trash collection may not be available for interior roads and driveways.

(8) Pursuant to Section 514B-41, Hawaii Revised Statutes, each Unit owner shall become obligated for the payment of the Unit owner's share of the common expenses upon the recordation of its apartment deed; until such time, the Developer shall assume the obligation to pay the actual common expenses for each apartment.

(9) It is also contemplated that each Unit will have its own driveway for access to Hoopuni Drive, and in such case each driveway shall constitute a limited common element appurtenant to its respective Unit. However, if the City and County of Honolulu allows only one driveway for the Project, the Unit owners shall jointly install such driveway in a location providing access to and from Hoopuni Drive for both Units; in such case, both Units shall use such driveway and share equally in all costs of installation, maintenance and repair, and such driveway shall constitute a common element.

TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report.....	1
General Information On Condominiums.....	2
Operation of the Condominium Project.....	2
1. THE CONDOMINIUM PROJECT.....	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units.....	3
1.4 Parking Stalls.....	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities.....	4
1.9 Common Elements.....	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions	5
1.12 Encumbrances Against Title.....	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters	6
1.14 Other Zoning Compliance Matters.....	6
1.15 Conversions	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility.....	8
2. PERSONS CONNECTED WITH THE PROJECT.....	9
2.1 Developer.....	9
2.2 Real Estate Broker.....	9
2.3 Escrow Depository.....	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS	10
3.1 Declaration of Condominium Property Regime	10
3.2 Bylaws of the Association of Unit Owners	10
3.3 Condominium Map.....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents.....	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT.....	12
4.1 Management of the Common Elements	12
4.2 Estimate of the Initial Maintenance Fees.....	12
4.3 Utility Charges to be Included in the Maintenance Fee.....	12
4.4 Utilities to be Separately Billed to Unit Owner	12
5. SALES DOCUMENTS.....	13
5.1 Sales Documents Filed with the Real Estate Commission.....	13
5.2 Sales to Owner-Occupants.....	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion.....	14

TABLE OF CONTENTS

	Page
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance.....	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing.....	14
5.7 Rights Under the Sales Contract	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract.....	17
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed.....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	18
EXHIBIT A: Common Elements	
EXHIBIT B: Limited Common Elements	
EXHIBIT C: Encumbrances Against Title	
EXHIBIT D: Fee Owner's Reserved Rights	
EXHIBIT E: Estimate of the Initial Maintenance Fees	
EXHIBIT F: Summary of Sales Contract	
EXHIBIT G: Summary of Escrow Agreement	
EXHIBIT H: Letter from the City and County of Honolulu, Department of Planning and Permitting Approval letter and Lot A Consolidation Map	
EXHIBIT I(a): Declaration for Holding Tank Facility, recorded 2007	
EXHIBIT I(b): Declaration for Holding Tank Facility, recorded 2011	
EXHIBIT J: Letter from the City and County of Honolulu, Department of Planning and Permitting dated December 19, 2006	

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	739 and 739-A Hoopuni Drive, Kailua, HI 96734
Address of Project is expected to change because	N/A
Tax Map Key (TMK)	(1) 4-3-65:83
Tax Map Key is expected to change because	N/A
Land Area	9,719 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	1
Number of New Building(s)	2
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Hardy board siding, drywall, metal studs and composition roof.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
1	2	3/2	1256 sf	400/152	Garage/Lanai	1882 sf
				42/32	Foyer/Porch	
See Exhibit _____ .						

2	Total Number of Units
---	-----------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stall in the Project:	4 (2 stalls in each garage)
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2 (in each garage)
Attach Exhibit <u>N/A</u> specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit: The perimeter of each Unit shall be established by the exterior face of the perimeter non-party walls, the exterior face of any glass windows, doors, panels or railings along the perimeter and, with respect to the party wall shared with the adjacent Unit, the inner decorated or finished surface of such party wall. Each of the Units shall include all walls, partitions, floors, ceilings and other improvements within said perimeter, including the garage, as shown on the Condominium Map, all built-in appliances and fixtures and all furnishings and appliances originally installed, and all air space encompassed within said perimeter, excluding therefrom, however, all elements, if any, herein established as common elements.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):

Each Unit owner may construct, improve, remodel, expand, replace, renovate, and/or otherwise alter its Unit as described in Section 10 of the Declaration.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit N/A.

As follows:

Each Unit has a common interest of 50% for all purposes, including voting.

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit A.

Described as follows:

See attached Exhibit "A".

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit B.

Described as follows:

See attached Exhibit "B".

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Section 8 of the Declaration for Permitted Uses
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit C describes the encumbrances against title contained in the title report described below.

Date of the title report: February 8, 2012

Company that issued the title report: Title Guaranty of Hawaii, Inc.

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	2	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code			N/A	

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots			
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>			
	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <p>N/A</p>			

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable
Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:	
Developer's statement of the expected useful life of each item reported above:	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	

Verified Statement from a County Official	
Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either:	
(A)	The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable: (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <div style="text-align: center;">or</div>
(B)	Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.
Other disclosures and information:	

1.16 Project In Agricultural District

Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation.	
Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.	
The nature and the scope of services to be provided.	
Additional costs, directly attributable to the services, to be included in the association's common expenses.	
The duration of the provision of the services.	
Other possible impacts on the project resulting from the provision of the services.	
Other disclosures and information.	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: MAXSAM, LLC, a Hawaii limited liability company Business Address: c/o William G. Boyle, 130 Kailua Road, Suite 110A, Kailua, HI 96734 Business Phone Number : (808) 263-6000 E-mail Address:
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	MAXSAM, LLC's sole member is Kailua Realty, Ltd. Kailua Realty, Ltd.'s officers and directors are: William G. Boyle, President/Secretary/Director Patricia A. Boyle, Vice President/Treasurer/Director
2.2 Real Estate Broker	Name: CENTURY 21 Kailua Beach Realty Business Address: 130 Kailua Road, Suite 110A Kailua, HI 96734 Business Phone Number: (808) 263-6000 E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street Honolulu, HI 96813 Business Phone Number: (808) 521-0211
2.4 General Contractor	Name: Allan Howle Co., License #BC-16066 Business Address: P.O. Box 23260 Honolulu, HI 96823 Business Phone Number: (808) 754-3235
2.5 Condominium Managing Agent	Name: None, self-managed by the Association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: William C. Byrns, Esq. Business Address: 1001 Bishop Street, Suite 2650 Honolulu, HI 96813 Business Phone Number: (808) 523-3080

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court/Bureau	December 13, 2011	T-8066356/A-44140879

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court/Bureau	December 13, 2011	T-8066357/A-44140880

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	2138
Bureau of Conveyances Map Number	5061
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input type="checkbox"/>	
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>	

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>Section 25.b of the Declaration permits the Developer to amend the Declaration to file the "as built" verified statement (with plan, if applicable) required by Section 514B-34, HRS.</p> <p>Section 20 of the Declaration provides as follows: See attached Exhibit "D".</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

The initial Condominium Managing Agent for this project is (check one):

<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit E contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:

<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:

<input checked="" type="checkbox"/>	Electricity for the Unit only
<input type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) Septic

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u> F </u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: December 23, 2011 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u> G </u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Purchaser's interest may be terminated but in such event, purchaser shall be entitled to the return of his deposit, less escrow's fees and costs

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements:

N/A

Appliances:

N/A

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: A Building Permit was issued June 15, 2011. Notice of substantial completion was published in the Honolulu Star Advertiser on March 1 and March 8, 2012.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. <i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i>
-------------------------------------	---

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

Box A <input type="checkbox"/>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
Box B <input type="checkbox"/>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other:

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

MAXSAM, LLC, a Hawaii limited liability company, by its
Member: Kailua Beach Realty, Ltd.

Printed Name of Developer

By:



Duly Authorized Signatory*

DEC 13 2011

Date

William G. Boyle, President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT "A"

739 AND 739-A HOOPUNI DRIVE

Description of Common Elements

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Act. Any such partition or division shall be subject to the prior written consent thereto by the holder(s) of all mortgages on the Units. The common elements consist of the following portions of the Project:

- a. The Land;
- b. Any improvements now or hereafter constructed for roadway access purposes or utilities purposes such as electricity, gas, water, sewer, septic system, telephone, radio and television signal distribution, irrigation and other utilities which serve more than one Unit; and
- c. Any and all elements and facilities naturally in common use or necessary to the existence, upkeep and safety of the Project.

EXHIBIT "B"

739 AND 739-A HOOPUNI DRIVE

Description of Limited Common Elements

The limited common elements appurtenant to each Unit consist of the portion of the land surrounding that Unit set aside for the exclusive use of that Unit (and all improvements existing thereon not otherwise expressly described herein), as shown by the lot boundary lines and the dashed lines on the Condominium Map, and designated thereon as the "Limited Common Element Land Area" as follows:

<u>Unit</u>	<u>Limited Common Element Land Area</u>
-------------	---

739	5,039 square feet, more or less
-----	---------------------------------

739-A	4,680 square feet, more or less
-------	---------------------------------

Each Unit's limited common element land area has sufficient area for two (2) uncovered or covered parking stalls which shall also be limited common elements.

EXHIBIT "C"
739 AND 739-A HOOPUNI DRIVE
Encumbrances Against Title

1. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. -AS TO PARCEL FIRST:-
 - (A) DESIGNATION OF EASEMENT for drain line purposes, as shown on Map 39, as set forth by Land Court Order No. 42821
 - (B) GRANT to the City and County of Honolulu dated June 25, 1975, filed as Land Court Document No. 734747, granting an easement over said drain line easement
3. -AS TO PARCEL SECOND:-
 - (A) DESIGNATION OF EASEMENT "D-25" (18 feet wide) for drain purposes, as shown on File Plan 784.
 - (B) GRANT to City and County Of Honolulu dated January 14, 1975, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10514, Page 268, granting an easement over said Easement "25".
4. GRANTOR: STEPHEN ROBERT DIFOLCO and ANTOINETTE FIGUEROA DIFOLCO, husband and wife (As to Parcel First), and STEPHEN R. DIFOLCO and ANTOINETTE FIGUEROA, husband and wife (As to Parcel Second)
GRANTEE: MAXSAM, LLC, a Hawaii limited liability company
DATED: April 6, 2006
FILED: Land Court Document No. 3415181
RECORDED: Document No. 2006-067459
5. ADDITIONAL SECURITY ADJUSTABLE RATE MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT
LOAN/ACCOUNT NO: 90-20565-0-450
MORTGAGOR: MAXSAM, LLC, a Hawaii limited liability company
MORTGAGEE: FINANCE FACTORS, LIMITED, a Hawaii corporation
DATED: April 7, 2006
FILED: Land Court Document No. 3415182
RECORDED AS: Document No. 2006-067460
AMOUNT: \$1,200,000.00
6. FINANCING STATEMENT
DEBTOR: MAXSAM, LLC, a Hawaii Limited Liability Company
SECURED PARTY: FINANCE FACTORS, LIMITED, a Hawaii corporation
RECORDED AS: Document No. 2006-067461
RECORDED: April 11, 2006
7. DECLARATION FOR HOLDING TANK FACILITY
DATED: June 12, 2007
FILED: Land Court Document No. 3626229
RECORDED: Document No. 2007-123099
8. The terms and provisions contained in AFFIDAVIT dated September 28, 2007, recorded as Document No. 2007-182424, by MAXSAM LLC, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.

EXHIBIT "C"
739 AND 739-A HOOPUNI DRIVE
Encumbrances Against Title

9. The terms and provisions contained in the following:
INSTRUMENT : DECLARATION FOR HOLDING TANK FACILITY
DATED : June 1, 2011
FILED : Land Court Document No. 4077802
RECORDED : Document No. 2011-089458
10. INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR
"739 AND 739-A HOOPUNI DRIVE" CONDOMINIUM PROJECT
DATED: December 13, 2011
FILED: Land Court Document No. T-8066356
RECORDED: Document No. A-44140879
MAPS: Land Court Condominium Map No. 2138, filed in the Office of the
Assistant Registrar of the Land Court, and Condominium Map No. 5061,
recorded in the Bureau of Conveyances of the State of Hawaii, and any
amendments thereto
11. INSTRUMENT: BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS
DATED: December 13, 2011
FILED: Land Court Document No. T-8066357
RECORDED: Document No. A-44140880
12. That certain Land Court Condominium Map No. 2138, filed in the Office of the Assistant Registrar
of the Land Court, and Condominium Map No. 5061, recorded in the Bureau of Conveyances of
the State of Hawaii, and any amendments thereto, a copy of which is on file as aforesaid.

END OF EXHIBIT "C"

EXHIBIT "D"
739 AND 739-A HOOPUNI DRIVE
Developer's Reserved Rights

Section 20. Developer's Reserved Rights.

In addition to any other rights reserved herein, the Developer hereby reserves the right for itself and its agents, to do the following without the consent of any Unit purchaser or any other person or entity and without any amendment to this Declaration:

a. Until the recordation in the Bureau of deeds or agreements of sale with respect to each Unit in favor of parties not a signatory to this Declaration, the Developer hereby reserves the right to amend this Declaration, the Bylaws and the Condominium Map, without the approval, consent or joinder of any purchaser of a Unit or any of the persons then owning or leasing any Unit, to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the Units, by any institutional lender lending funds on the security of the Project or any of the Units, by any purchaser, insurer or guarantor of loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to purchase, insure or guarantee a Loan made on the security of the Project or any of the Units, or by any governmental agency; provided, however, that except as otherwise provided herein, no such amendment which would substantially change the design, location or size of a Unit or its limited common element yard area shall be made without the consent to such amendment by all persons having an interest in such Unit. All Unit owners shall cooperate fully with the Developer with respect to this paragraph including without limitation cooperating by executing, and assisting if necessary in the filing of, any grant(s) of easement (or amended grant(s)), designation(s) of easement (or amended designation(s)), pleadings, petitions, documents, and/or other necessary or appropriate instruments to be filed in the Bureau of Conveyances of the State of Hawaii and/or other appropriate governmental agency.

b. Developer reserves the right to grant to any utility company or public or governmental authority or other person or entity rights-of-way and other easements, and the right to modify or amend any existing or newly granted rights-of-way and easements, which are for the benefit of the Project (or any Unit or Units) or which do not materially interfere with the use or materially impair the value of any Unit, over, across, under and through the common elements and limited common elements for access and for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer and/or septic system, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof.

c. Developer shall have the right to maintain development facilities and conduct sales of Units until deeds are issued to Unit purchasers with respect to all Units in the Project. Such right shall include, but not be limited to operating a sales and construction office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales; provided, however, that in exercising such right, the Developer shall not materially interfere with the rights of any Unit owner to the use of, or access to, his Unit or any of the common elements appurtenant thereto.

d. Developer shall have the right to enter upon the Land and the Project and carry on such construction and demolition activities as may be necessary in connection with such alteration, modifications and restorations, including, but not limited to, parking storage of construction equipment and materials, provided that Developer shall not materially interfere with the rights of any Unit owner to the use of, or access to, his or her Unit or any of the common elements appurtenant thereto.

e. Developer reserves the right to place signs on the Project until such time that it has sold or otherwise transferred all Units.

f. Developer reserves the right to relocate or replace the existing telephone pole with either new overhead lines or underground lines.

g. Developer reserves the right to take any necessary or appropriate action to enforce compliance by one or both Unit owners with any and all requirements of Sections 31, 32, and/or 33 of this Declaration.

END OF EXHIBIT "D"

EXHIBIT "E"
739 AND 739-A HOOPUNI DRIVE

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
739	\$0 x 12 =	\$0
739-A	\$0 x 12 =	\$0

Each purchaser shall become obligated to start paying its maintenance fees commencing upon purchaser's acquisition of the Unit from Developer.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

☐ common elements only

☐ common elements and apartments

Elevator

Gas

☐ common elements only

☐ common elements and apartments

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

Reserves(*)

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$0 x 12 =

\$0

MAXSAM, LLC, the developer of the condominium project, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

MAXSAM, LLC, a Hawaii limited liability company

By its Member:

Kailua Realty, Ltd., a Hawaii corporation

By: 

Its: President

Date: DEC 13 2011

(*)Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 1070, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "F"
739 AND 739-A HOOPUNI DRIVE
Summary of Sales Contract

Seller intends to use the standard form Purchase Contract with an Addendum as the form of sales contract for the project.

1. Evidence of Title. Seller shall furnish Buyer evidence of Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer has the option to terminate this agreement and have any of Buyer's deposits returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer. Buyer will receive an Owner's standard coverage policy of title insurance at closing: (a) Seller shall pay 60% of the premium to be charged for an Owner's standard coverage policy of title insurance to be issued to the buyer in the amount of the sales price; and (b) Buyer shall pay 40% of such premium and any additional costs relating to the issuance of any extended coverage policy, including a Lender's policy.
2. Risk of Loss. Risk of loss passes to Buyer upon transfer of title or occupancy whichever occurs first.
3. Default. It is expressly understood and agreed: First: In the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second: In the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.
4. Consent. The obligations of Buyer or Seller hereunder are conditioned upon obtaining those necessary consents of vendors, existing mortgagees, lessors and/or condominium, co-op or other such associations, Buyer or Seller agree to cooperate and take all reasonable action to obtain such consents.
5. Time Is Of The Essence. If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no longer than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of paragraph 5 apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE PURCHASE CONTRACT. THE BUYER MUST REFER TO THE BUYER'S PURCHASE CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE PURCHASE CONTRACT, THE PURCHASE CONTRACT WILL CONTROL, NOT THIS SUMMARY.

EXHIBIT "G"
739 AND 739-A HOOPUNI DRIVE
Summary of Escrow Agreement

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. ("Escrow"), and **MAXSAM, LLC**, a Hawaii limited liability company ("Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

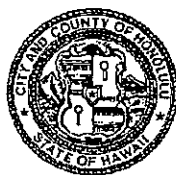
1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project.
3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Developer's Public Report on the project; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514B-82 to 514B-93, Hawaii Revised Statutes ("HRS"), have been met. Where sales contracts are entered into, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Developer's Public Report and with notification by Seller that all of the requirements of Section 514B-82 to 514B-93, HRS, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under sales contract. Any disbursement of funds for project costs prior to closing or prior to completion of the project will be made in compliance with Section 6.4 of the Agreement and the requirements of Section 514B-92 or 514B-93, HRS, as applicable.
4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Developer's Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Developer's Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514B-86, HRS, there shall be any pertinent change and/or material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514B-87, HRS. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow. Any return of funds to the Buyer will be governed by Section 7 of the Agreement.
5. As Escrow's compensation for its performance under this Agreement, Escrow will receive an amount to be determined by Escrow for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional sum.
6. If Buyer defaults under the sales contract and Seller subsequently certifies in writing to Escrow that Seller has terminated the Sales Contract, Escrow shall thereafter treat all funds of the Purchaser under the sales contract as funds of the Seller and not the Purchaser. Upon Seller's request, Escrow shall pay such funds to Seller less any cancellation fee.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE OR SHE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET * HONOLULU, HAWAII 96813
Phone: (808) 523-4414 * Fax: (808) 527-6743

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR
DAVID K. TANOUE
DEPUTY DIRECTOR

2006/SUB-302

SUBDIVISION		
File Number	:	2006/SUB-302
Project	:	CONS / Kailua--Hoopuni Drive/ TMK: 4-3-065: 064 and 082
Location	:	739 Hoopuni Dr
Tax Map Key	:	4-3-065:082 (various)
Owner	:	Maxsam LLC
Surveyor	:	MCGRAIL, FRANCIS E.
Agent	:	Bill Byrnes

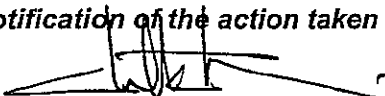
Description of the Proposal: Consolidation of Lot 10 of Kihapai Parcels (File Plan 784) and Lot 566-P of Coconut Grove Tract (Land Court Application 495) into Lot A of 9,719 square feet

In their comments dated November 9, 2006, the Wastewater Branch states that sewers are inadequate for a second dwelling unit.

Approval was granted to the proposal.

Copies of the final map with the stamp of approval are attached.

This copy is notification of the action taken and the date it was signed.

	for DIRECTOR	February 9, 2007
SIGNATURE	TITLE	DATE

This action does not constitute approval of any other required permits, such as building or sign permits. Should you have any questions, please call Mr. Jeff Lee at 523-4255 or Mr. Lester Lai at 523-4252.

EXHIBIT

H

200615VB-307
APPROVED
DEPARTMENT OF PLANNING AND PERMITTING
City and County of Honolulu
Date FEB - 9 2007

LOT
566-0102

Director of Planning and Permitting

LOT 9

241°59'00" → 85.27'

40.06' 45.21'

DRAIN ESM'T. DRAIN ESM'T.
"D-25"

LOT A
9,719 Sq. Ft.

335°05'00" → 110.28'

331°59'00" → 110.13'

HOOPUNI DRIVE

40.06' 51.18'

241°59'00" → 91.24'

LOT 11

LOT
566-N

SECTION 2 SWAMP PLAT 16

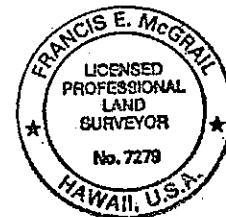
07 FEB - 1 PM 2:24
DEPT OF PLANNING
AND PERMITTING
CITY & COUNTY OF HONOLULU

CONSOLIDATION OF
LOT 10 OF
KIHAPAI PARCELS
(FILE PLAN 784)
& LOT 566-P OF
COCONUT GROVE TRACT
(LAND COURT APPLICATION 496)
INTO LOT A

at Kailua, Koolaulapoko, Oahu, Hawaii
Scale 1 in. = 30 ft. Dec. 21, 2006
Tax Map Key 4-3-65: 82 & 64

Owner:
MAXSAM, LLC

Site Address:
739 Hoopuni Drive
Kailua, Hawaii 96734



This work was performed by
me or under my supervision

FRANCIS E. McGRAIL
Licensed Land Surveyor
Certificate Number 7279

Note: Drainage Easements
are covered. Lot is Vacant.

DOUBLE SYSTEM



L-718 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
JUL 10, 2007 11:00 AM
Doc No(s) 3626229
on Cert(s) 801,056



R-929 STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED
JUL 10, 2007 11:00 AM
Doc No(s) 2007-123099



/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

20 1/1 Z9 R929



/s/ CARL T. WATANABE
REGISTRAR OF CONVEYANCES

20 1/1 Z9 L718

LAND COURT SYSTEM REGULAR SYSTEM
AFTER RECORDATION, RETURN BY MAIL () PICK UP (X)

Mr. WILLIAM G. BOYLE
Address 130 KAILUA ROAD #110
KAILUA, OAHU, HAWAII 96734

DECLARATION FOR HOLDING TANK FACILITY

THIS INDENTURE (hereinafter referred to as this Declaration), made this 12th day of JUNE, 2007, by MAXSAM LLC, a Hawaii limited liability Co., whose address is 130 KAILUA ROAD, KAILUA, OAHU, HI. 96734, hereinafter referred to as the "Declarant,"

WITNESSETH:

WHEREAS, the Declarant is the owner in fee simple of that certain parcel of land situated at 739 HOOPUNI DRIVE, KAILUA, OAHU HAWAII, 96734, Oahu, City and County of Honolulu, State of Hawaii, described as Tax Map Key: 4-3-065:064, more particularly described in Exhibit "A," attached hereto and made a part hereof (the

EXHIBIT

I(2)

"Property"), and depicted as the shaded areas on the Portion of Zoning Map No. ____ attached hereto as Exhibit "B" and made a part hereof, and desires to make the Property subject to this Declaration; and

WHEREAS, the Declarant plans to temporarily utilize a sewage holding tank facility (hereinafter "HTF") on the Property as a temporary measure to provide sewer service to Declarant's Property; and

WHEREAS, the Department of Planning and Permitting (hereinafter "DPP") has approved the utilization of said HTF subject to the Declarant's acceptance of certain conditions;

NOW, THEREFORE, the Declarant hereby covenants and declares as follows:

1. The use of the HTF is a temporary measure to provide sewer service to Declarant's Property.
2. The design and construction plans for the HTF shall be submitted to DPP for review and approval prior to installation of the HTF.
3. The HTF shall be built in a location on the Property that is approved by DPP to ensure easy accessibility for the purpose of inspecting the HTF. DPP inspection personnel shall have the right to inspect the HTF at all reasonable times.
4. The wastes from the HTF may be pumped or discharged by gravity directly to the City sewer system, provided that as to discharges from the HTF to the City's sewer system the Declarant shall strictly control and allow these discharges only during the hours of 1 a.m. to 4 a.m. each day. A recorder shall be

installed by the Declarant to daily chart the release of wastes into the City sewer system.

a. **During the Initial Year of Operation** - A licensed consulting engineer retained by Declarant at Declarant's sole expense, shall submit the daily charts to the DPP within 10 days after the end of each calendar year quarter. The Declarant shall obtain training from the consulting engineer on how to service and operate the recorder. It is the Declarant's responsibility to obtain proper and appropriate training for this purpose.

b. **After the Initial Year** - The Declarant shall submit the daily charts to DPP within the aforementioned time limits.

5. **Operation and Maintenance of the HTF.**

a. **During the Initial Year of Operation** - The Declarant, at Declarant's sole expense, shall retain the services of a licensed consulting engineer who shall operate and maintain the HTF. The Declarant shall be responsible for obtaining a consulting engineer to assist in formulating and adopting measures and/or procedures to guarantee proper operation and maintenance of the HTF.

b. **After Initial Year** - Notwithstanding the operation and maintenance of the HTF by the Declarant or the consulting engineer, the Declarant shall be responsible for the proper operation and maintenance of the HTF. In the event of improper operation and maintenance by either the Declarant or the consulting engineer, the City reserves the right to

terminate the connection to the City sewer system.

6. An overflow/bypass line shall not be allowed. A sewage level alarm is recommended to alert of possible overflow.

7. The Declarant, when notified in writing by DPP as to system adequacy, shall eliminate the HTF as expeditiously as possible, and connect directly to the City sewer system. The Declarant shall obtain a building permit prior to dismantling the HTF.

8. Failure to comply with any of the terms of this Declaration, or in the event the Property is not physically occupied during any period of time, shall subject the Property to severance of connection to the City sewer system or other appropriate action until the applicable conditions are met. However, the director may continue service based upon extenuating conditions.

9. The Declarant shall: a) have this Declaration recorded along with his or her deed at the Bureau of Conveyances, b) shall provide a copy of this Declaration to any succeeding owners or lessees (hereinafter "successors"), and c) obtain a written acknowledgment and acceptance by said successors that they have received a copy of the Declaration. The Declarant shall forward DPP a copy of the written acknowledgment and acceptance.

AND IT IS EXPRESSLY UNDERSTOOD AND AGREED that the conditions imposed in this Declaration shall run with the land and shall bind and constitute notice to all the parties hereto and subsequent lessees, grantees, assignees, mortgagees,

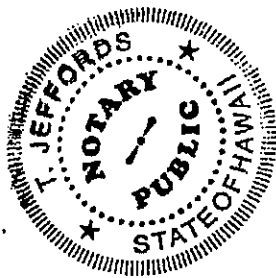
lienors, successors, and any other persons who have or claim to have an interest in the Property, and the City and County of Honolulu shall have the right to enforce this Declaration by appropriate action at law or suit in equity against all such persons.

Max SAM LLC, A Hawaii limited liability co.
PRINT DECLARANT'S NAME

Kailua Realty Ltd Its member
Mr William G Boyle Pres.
DECLARANT'S SIGNATURE
W Boyle president

STATE OF HAWAII)
CITY AND COUNTY OF HONOLULU) SS.

On this 12 day of June, 2007, before me personally appeared William G. Boyle*, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same as his/her free act and deed. * as individual and as the member of MaxSam LLC, a Hawaii limited liability Company



T. Jeffords
Notary Public State of Hawaii

My commission expires
T. Jeffords
Expiration Date: September 7, 2007

EXHIBIT "A"

-PARCEL FIRST:-

All of that certain parcel of land situate at Kailua, District of Koolaupoko, City and County of Honolulu, State of Hawaii, described as follows:

／ LOT 566-P, area 5,308 square feet, more or less, as shown on Map 283, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 495 of Arthur Hyde Rice.

-PARCEL SECOND:-

All of that certain parcel of land situate at Kailua, District of Koolaupoko, Oahu, State of Hawaii, being Lot 10 of the "KIHAPAI PARCELS", as shown on File Plan Number 784, filed in the Bureau of Conveyances of the State of Hawaii, and containing an area of 4,411 square feet, more or less.

Being land (s) described in Transfer Certificate of Title No. 801,056. /

END OF EXHIBIT "A"

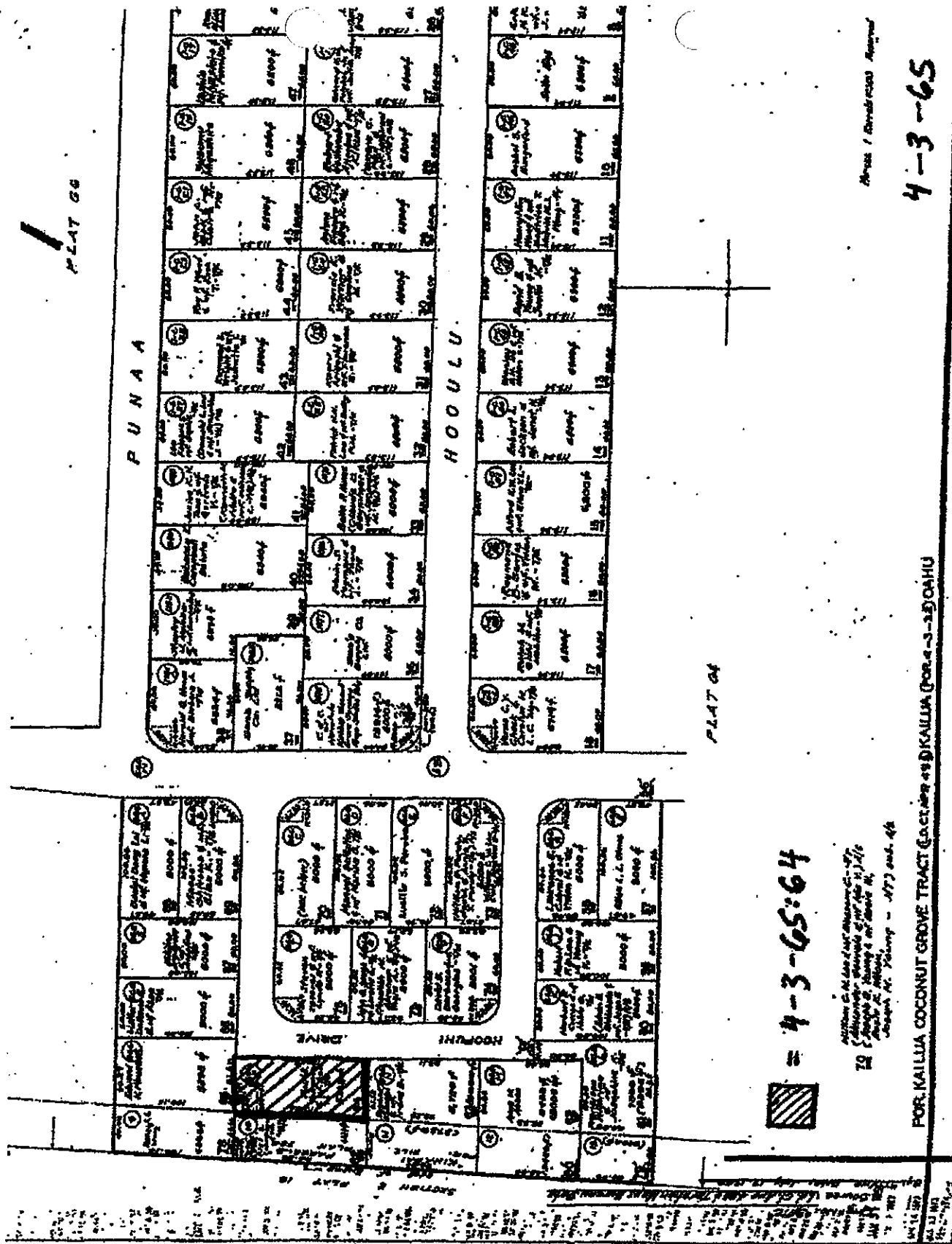


Exhibit "B"

END OF
EXHIBIT
I

25
DOUBLE SYSTEM
b/c



L-228 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

JUN 06, 2011 10:00 AM

Doc No(s) 4077802
on Cert(s) 801,056



/s/ NICKI ANN THOMPSON
ASSISTANT REGISTRAR

20 1/1 Z10 R652



R-652 STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

JUN 06, 2011 10:00 AM

Doc No(s) 2011-089458



/s/ NICKI ANN THOMPSON
REGISTRAR

20 1/1 Z10 L228

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL () PICK UP (X)

MAXSAM, LLC
c/o C21 Kailua Beach Realty
130 Kailua Beach Rd. 110
Kailua, HI 96734

DECLARATION FOR HOLDING TANK FACILITY

THIS INDENTURE (hereinafter referred to as this Declaration"), made this 1 day of June, 2011, by MAXSAM, LLC a Hawaii limited liability Co., whose address is c/o C21 Kailua Beach Realty 130 Kailua Rd, 110 Kailua hereinafter Hawaii, 96734 referred to as the "Declarant,"

WITNESSETH:

WHEREAS, the Declarant is the owner in fee simple of that certain parcel of land situated at 739 + 739 A Hoopuni Drive, Oahu, City and County of Honolulu, State of Hawaii, described as Tax Map Key: 43 065 083, more particularly described in Exhibit "A," attached hereto and made a part hereof (the

EXHIBIT

1(b)

"Property"), and depicted as the shaded areas on the Portion of Zoning Map No. ____ attached hereto as Exhibit "B" and made a part hereof, and desires to make the Property subject to this Declaration; and

WHEREAS, the Declarant plans to temporarily utilize a sewage holding tank facility (hereinafter "HTF") on the Property as a temporary measure to provide sewer service to Declarant's Property; and

WHEREAS, the Department of Planning and Permitting (hereinafter "DPP") has approved the utilization of said HTF subject to the Declarant's acceptance of certain conditions;

NOW, THEREFORE, the Declarant hereby covenants and declares as follows:

1. The use of the HTF is a temporary measure to provide sewer service to Declarant's Property.
2. The design and construction plans for the HTF shall be submitted to DPP for review and approval prior to installation of the HTF.
3. The HTF shall be built in a location on the Property that is approved by DPP to ensure easy accessibility for the purpose of inspecting the HTF. DPP inspection personnel shall have the right to inspect the HTF at all reasonable times.
4. The wastes from the HTF may be pumped or discharged by gravity directly to the City sewer system, provided that as to discharges from the HTF to the City's sewer system the Declarant shall strictly control and allow these discharges only during the hours of 1 a.m. to 4 a.m. each day. A recorder shall be

installed by the Declarant to daily chart the release of wastes into the City sewer system.

a. During the Initial Year of Operation - A licensed consulting engineer retained by Declarant at Declarant's sole expense, shall submit the daily charts to the DPP within 10 days after the end of each calendar year quarter. The Declarant shall obtain training from the consulting engineer on how to service and operate the recorder. It is the Declarant's responsibility to obtain proper and appropriate training for this purpose.

b. After the Initial Year - The Declarant shall submit the daily charts to DPP within the aforementioned time limits.

5. Operation and Maintenance of the HTF.

a. During the Initial Year of Operation - The Declarant, at Declarant's sole expense, shall retain the services of a licensed consulting engineer who shall operate and maintain the HTF. The Declarant shall be responsible for obtaining a consulting engineer to assist in formulating and adopting measures and/or procedures to guarantee proper operation and maintenance of the HTF.

b. After Initial Year - Notwithstanding the operation and maintenance of the HTF by the Declarant or the consulting engineer, the Declarant shall be responsible for the proper operation and maintenance of the HTF. In the event of improper operation and maintenance by either the Declarant or the consulting engineer, the City reserves the right to

terminate the connection to the City sewer system.

6. An overflow/bypass line shall not be allowed. A sewage level alarm is recommended to alert of possible overflow.

7. The Declarant, when notified in writing by DPP as to system adequacy, shall eliminate the HTF as expeditiously as possible, and connect directly to the City sewer system. The Declarant shall obtain a building permit prior to dismantling the HTF.

8. Failure to comply with any of the terms of this Declaration, or in the event the Property is not physically occupied during any period of time, shall subject the Property to severance of connection to the City sewer system or other appropriate action until the applicable conditions are met. However, the director may continue service based upon extenuating conditions.

9. The Declarant shall: a) have this Declaration recorded along with his or her deed at the Bureau of Conveyances, b) shall provide a copy of this Declaration to any succeeding owners or lessees (hereinafter "successors"), and c) obtain a written acknowledgment and acceptance by said successors that they have received a copy of the Declaration. The Declarant shall forward DPP a copy of the written acknowledgment and acceptance.

AND IT IS EXPRESSLY UNDERSTOOD AND AGREED that the conditions imposed in this Declaration shall run with the land and shall bind and constitute notice to all the parties hereto and subsequent lessees, grantees, assignees, mortgagees,

lienors, successors, and any other persons who have or claim to have an interest in the Property, and the City and County of Honolulu shall have the right to enforce this Declaration by appropriate action at law or suit in equity against all such persons.

MAXSAM, LLC, a Hawaii limited liability Company

BY: KAILUA REALTY, LTD., a Hawaii Corporation

By:

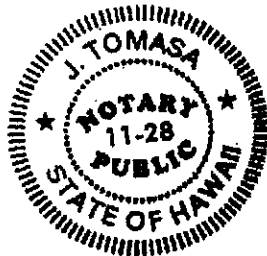
William G Boyle
WILLIAM G BOYLE
Its President | Member

STATE OF HAWAII

CITY AND COUNTY OF HONOLULU

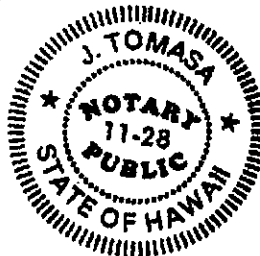
SS.

On this 1 day of June, 2011, before me personally appeared William G Boyle, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he/she executed the same as his/her free act and deed, and in capacity shown.



J. Tomasa
Notary Public, State of Hawaii
My commission expires

J. TOMASA
Expiration Date: January 30, 2015



NOTARY CERTIFICATE, STATE OF HAWAII
Doc. Description/ID: Declaration for
holding tank facility
Doc. Date: 06/01/11 Pages: 5
Notary Name: J. Tomasa 1st Circuit
J. Tomasa 06/01/11
Notary Signature Cert. Date

EXHIBIT "A"

-PARCEL FIRST:-

All of that certain parcel of land situate at Kailua, District of Koolaupoko, City and County of Honolulu, State of Hawaii, described as follows:

LOT 566-P, area 5,308 square feet, more or less, as shown on Map 283, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 495 of Arthur Hyde Rice.

-PARCEL SECOND:-

All of that certain parcel of land situate at Kailua, Koolaupoko, Oahu, State of Hawaii, being LOT 10 of the "KIHAPAI PARCELS", as shown on File Plan Number 784, filed in the Bureau of Conveyances of the State of Hawaii, and containing an area of 4,411 square feet, more or less.

SUBJECT, HOWEVER, TO:

1. -AS TO PARCEL FIRST:-

- (A) DESIGNATION OF EASEMENT for drain line purposes, as shown on Map 639, as set forth by Land Court Order No. 42821.
- (B) GRANT to CITY AND COUNTY OF HONOLULU dated June 25, 1975, filed as Land Court Document No. 734747, granting an easement over said drain line easement.

2. -AS TO PARCEL SECOND:-

- (A) DESIGNATION OF EASEMENT "D-25" (18 feet wide) for drain purpose, as shown on File Plan 784.
- (B) GRANT to CITY AND COUNTY OF HONOLULU dated January 14, 1975, recorded in Liber 10514 Page 268, granting an easement over said Easement "25".
- (C) Claims arising out of the failure to convey the land described herein together with an easement or right of access over Lot 566-P.

3. The terms and provisions contained in the following:

**INSTRUMENT : DECLARATION FOR HOLDING TANK
FACILITY**

DATED : June 12, 2007
FILED : Land Court Document No. 3626229
RECORDED : Document No. 2007-123099

4. The terms and provisions contained in AFFIDAVIT dated September 28, 2007, recorded as Document No. 2007-182424, by MAXSAM LLC, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.

Being land(s) described in Transfer Certificate of Title No. 801,056, issued to MAXSAM, LLC, a Hawaii limited liability company.

BEING THE PREMISES ACQUIRED BY WARRANTY DEED

GRANTOR : STEPHEN ROBERT DIFOLCO and
ANTOINETTE FIGUEROA DIFOLCO, husband
and wife (As to Parcel First), and STEPHEN R.
DIFOLCO and ANTOINETTE FIGUEROA,
husband and wife (As to Parcel Second)

GRANTEE : MAXSAM, LLC, a Hawaii limited liability
company

DATED : April 6, 2006
FILED : Land Court Document No. 3415181
RECORDED : Document No. 2006-067459

(Note: A Consolidation (2006/SUB-302) of Lot 566-P and Lot 10 into Lot A of 9,719 square feet for zoning purposes was approved on February 9, 2007 by the Department of Planning and Permitting, City and County of Honolulu.)

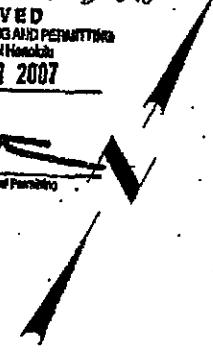
TMK (1) 4-3-065:083

END OF EXHIBIT "A"

200615UB-302

APPROVED
DEPARTMENT OF PLANNING AND PERMITTING
City and County of Honolulu
Date FEB - 9 2007

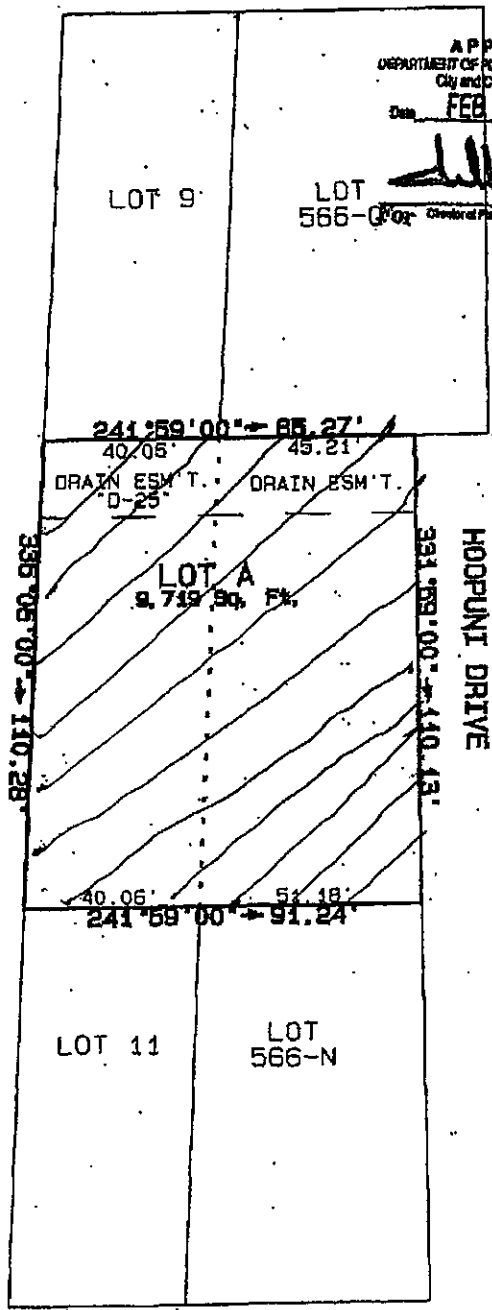
[Signature]
Director of Planning and Permitting



07 FEB - 1 PM 2:24
DEPT OF PLANNING
300 HONOLULU
CITY & COUNTY OF HONOLULU

EXHIBIT
B

SECTION 2 SWAMP PLAT 16

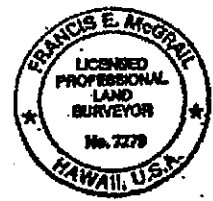


CONSOLIDATION OF
LOT 10 OF
KIHAPAI PARCELS
(FILE PLAN 784)
& LOT 566-P OF
COCONUT GROVE TRACT
(LAND COURT APPLICATION 495)
INTO LOT A

at Kailua, Koolauapoko, Oahu, Hawaii
Scale 1 in. = 30 ft. Dec. 21, 2006
Tax Map Key 4-3-65: 62 & 64

Owner:
MAXSAM, LLC

Site Address:
739 Hoopuni Drive
Kailua, Hawaii 96734

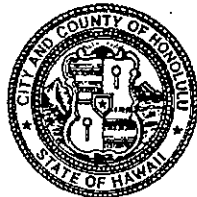


This work was performed by
me or under my supervision
[Signature]
FRANCIS E. McGRAIL
Licensed Land Surveyor
Certificate Number 7279

Note: Drainage Easements
are covered. Lot is Vacant.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 523-4432 • FAX: (808) 527-6743
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANQUE
DEPUTY DIRECTOR

06WWB125 (AS)
2006/ELOG-3297

December 19, 2006

Mr. William C. Byrns
MacDonald, Rudy, Byrns, O'Neill & Yamauchi
1001 Bishop Street
American Saving Bank Tower, Suite 2650
Honolulu, Hawaii 96813

Dear Mr. Byrns:

Subject: Installation of a Sewage Holding Tank Facility
For the Proposed Two-Family Detached Dwellings
739 Hoopuni Drive, Kailua, Oahu, Hawaii
Tax Map Key: 4-3-065: 064 & 82

This is in response to your December 15, 2006 letter, regarding the installation of a sewage holding tank facility (HTF) for the proposed two-family detached dwellings. Installation of the HTF is approved subject to submitting an acceptable agreement from the property owner(s) regarding the use, design, construction and operation of the HTF. Please find attached a sample HTF agreement (Declaration) for your use. A copy of the executed and recorded HTF agreement from the State Bureau of Conveyances shall be forwarded to our office for our records.

One of the two detached dwellings shall be connected directly to the City sewer system and the remaining one detached dwelling shall be connected to the City sewer system **via a HTF**. Other matters relating to the HTF will be discussed during the review process. Please be aware that these requirements pertain only to the sewage disposal scheme for this project. In addition, this project is liable for payment of an applicable wastewater system facility charge (WSFC). The current WSFC for this project is \$4,923.00 and payable at time of approval of the building permit application.

The approved HTF construction plans shall be attached and be made a part of the building plans. If you have any questions, please contact my office at 527-6064.

Very truly yours,

Dennis M. Nishimura
Dennis M. Nishimura
Branch Head

DMN:dl
[503686]
Attachment

EXHIBIT

Mr./Mrs.
Address

THIS INDENTURE (hereinafter referred to as this Declaration"), made this _____ day of _____, _____, by _____, whose address is _____, hereinafter referred to as the "Declarant,"

WHEREAS, the Declarant is the owner in fee simple of that certain parcel of land situated at _____,
_____,
Oahu, City and County of Honolulu, State of Hawaii, described as Tax Map Key: _____, more particularly described in Exhibit "A," attached hereto and made a part hereof (the

"Property"), and depicted as the shaded areas on the Portion of Zoning Map No. ____ attached hereto as Exhibit "B" and made a part hereof, and desires to make the Property subject to this Declaration; and

WHEREAS, the Declarant plans to temporarily utilize a sewage holding tank facility (hereinafter "HTF") on the Property as a temporary measure to provide sewer service to Declarant's Property; and

WHEREAS, the Department of Planning and Permitting (hereinafter "DPP") has approved the utilization of said HTF subject to the Declarant's acceptance of certain conditions;

NOW, THEREFORE, the Declarant hereby covenants and declares as follows:

1. The use of the HTF is a temporary measure to provide sewer service to Declarant's Property.

2. The design and construction plans for the HTF shall be submitted to DPP for review and approval prior to installation of the HTF.

3. The HTF shall be built in a location on the Property that is approved by DPP to ensure easy accessibility for the purpose of inspecting the HTF. DPP inspection personnel shall have the right to inspect the HTF at all reasonable times.

4. The wastes from the HTF may be pumped or discharged by gravity directly to the City sewer system, provided that as to discharges from the HTF to the City's sewer system the Declarant shall strictly control and allow these discharges only during the hours of 1 a.m. to 4 a.m. each day. A recorder shall be

installed by the Declarant to daily chart the release of wastes into the City sewer system.

a. **During the Initial Year of Operation** - A licensed consulting engineer retained by Declarant at Declarant's sole expense, shall submit the daily charts to the DPP within 10 days after the end of each calendar year quarter. The Declarant shall obtain training from the consulting engineer on how to service and operate the recorder. It is the Declarant's responsibility to obtain proper and appropriate training for this purpose.

b. **After the Initial Year** - The Declarant shall submit the daily charts to DPP within the aforementioned time limits.

5. **Operation and Maintenance of the HTF.**

a. **During the Initial Year of Operation** - The Declarant, at Declarant's sole expense, shall retain the services of a licensed consulting engineer who shall operate and maintain the HTF. The Declarant shall be responsible for obtaining a consulting engineer to assist in formulating and adopting measures and/or procedures to guarantee proper operation and maintenance of the HTF.

b. **After Initial Year** - Notwithstanding the operation and maintenance of the HTF by the Declarant or the consulting engineer, the Declarant shall be responsible for the proper operation and maintenance of the HTF. In the event of improper operation and maintenance by either the Declarant or the consulting engineer, the City reserves the right to

terminate the connection to the City sewer system.

6. An overflow/bypass line shall not be allowed. A sewage level alarm is recommended to alert of possible overflow.

7. The Declarant, when notified in writing by DPP as to system adequacy, shall eliminate the HTF as expeditiously as possible, and connect directly to the City sewer system. The Declarant shall obtain a building permit prior to dismantling the HTF.

8. Failure to comply with any of the terms of this Declaration, or in the event the Property is not physically occupied during any period of time, shall subject the Property to severance of connection to the City sewer system or other appropriate action until the applicable conditions are met. However, the director may continue service based upon extenuating conditions.

9. The Declarant shall: a) have this Declaration recorded along with his or her deed at the Bureau of Conveyances, b) shall provide a copy of this Declaration to any succeeding owners or lessees (hereinafter "successors"), and c) obtain a written acknowledgment and acceptance by said successors that they have received a copy of the Declaration. The Declarant shall forward DPP a copy of the written acknowledgment and acceptance.

AND IT IS EXPRESSLY UNDERSTOOD AND AGREED that the conditions imposed in this Declaration shall run with the land and shall bind and constitute notice to all the parties hereto and subsequent lessees, grantees, assignees, mortgagees,

lienors, successors, and any other persons who have or claim to have an interest in the Property, and the City and County of Honolulu shall have the right to enforce this Declaration by appropriate action at law or suit in equity against all such persons.

PRINT DECLARANT'S NAME

DECLARANT'S SIGNATURE

STATE OF HAWAII)
)
CITY AND COUNTY OF HONOLULU) SS.

On this ____ day of _____, _____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same as his/her free act and deed.

Notary Public, State of Hawaii

My commission expires